VZCZCXRO0914 PP RUEHAG RUEHROV DE RUEHMD #1287/01 1831141 ZNY CCCCC ZZH P 021141Z JUL 07 FM AMEMBASSY MADRID TO RUEHC/SECSTATE WASHDC PRIORITY 2903 INFO RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAS/AMEMBASSY ALGIERS 3943 RUEHLB/AMEMBASSY BEIRUT 0240 RUEHBO/AMEMBASSY BOGOTA 5219 RUEHBUL/AMEMBASSY KABUL 0112 RUEHME/AMEMBASSY MEXICO 0641 RUEHRB/AMEMBASSY RABAT 6029 RUEHLA/AMCONSUL BARCELONA 2861 RUEHUB/USINT HAVANA 0206

C O N F I D E N T I A L SECTION 01 OF 02 MADRID 001287

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SUBJECT: SPAIN: FORMER PRESIDENT AZNAR ON SPANISH POLITICS, WESTERN SAHARA, AFGHANISTAN, LEBANON, AND LATIN AMERICA

REF: MADRID 1276

MADRID 00001287 001.2 OF 002

Classified By: Ambassador Eduardo Aquirre for Reasons 1.4 (b) and (d)

11. (C) Summary. Former Spanish President Jose Maria Aznar told the Ambassador on June 28 that he viewed with great concern the "malignant affect" that the Zapatero government's policies were having on Spain, and he was dismayed to see the Spanish nation slowly eroding as more power continued to devolve to Catalonia and the Basque region. Aznar confided to the Ambassador that if he saw his country descend to extremely dire straits, he would consider "stepping back in," evidently implying that he would seek to return to leadership of the Popular Party. Aznar said that he and the current leadership of the Popular Party had been surprised by that day's announcement by IMF Managing Director Rodrigo Rato that he would step down this fall and return to Spain to spend more time with his family. On North Africa, Aznar admonished the U.S. for its current efforts to work with Morocco to solve the Western Sahara issue and said that this was a "bad idea." The Ambassador expressed condolences for the six Spanish soldiers killed recently in Lebanon and said the USG hoped the GOS would still fulfill its commitments both in that country and in Afghanistan. Aznar replied that Zapatero was weak and would cave to political pressure to reduce Spain's presence. The Ambassador urged that the PP refrain from complicating Spanish deployments in Afghanistan and Lebanon, given the strategic importance of those missions. Aznar replied that the PP had never pressured Zapatero on either deployment and would not do so in the future. The former President concluded the meeting by giving his views of the current situation in Cuba, Mexico, and Colombia. End Summary.

//AZNAR ON RATO'S RETURN AND THE "DETERIORATION OF SPAIN"//

12. (C) Ambassador and Mrs. Aguirre hosted former Spanish President Jose Maria Aznar and his wife Ana Botella to a June 28 dinner at the residence. President Aznar said that he had just come from a meeting at his FAES think tank that was attended by current Popular Party (PP) leader Mariano Rajoy and most of the PP leadership. Aznar said that he and other PP members had been surprised by that day's announcement by IMF Managing Director Rodrigo Rato that he would step down this fall and return to Spain to spend more time with his family. (Comment: Rato was Minister of the Economy in Aznar's government and rumors have circulated in Spain that

Rato might make a strong running mate for Rajoy in Spain's national elections next year. Spanish press on June 29 reported that Rato provided advanced notice of his resignation only to Rajoy. End Comment). Aznar said he was aware that Rato had become bored with his position at the IMF and yearned to return to Spain, and he believes that Rato may now assume a leading position in Spain's private sector.

 $\P3$. (C) Aznar told the Ambassador that Spain was currently in the hands of a very bad government whose policies were "malignantly affecting" the fabric of the country. Aznar views with great concern the continued devolution of power to Catalonia and the Basque region that is "slowly eroding Spain, " as well as Zapatero's insistence on dredging up Spain's Civil War past. The Ambassador asked Aznar what his role would be if, in the former President's view, the Zapatero government continued to pursue policies deleterious to Spain, and Rajoy and the PP failed to gain any ground. Aznar responded that, "if I saw that Spain was really in despair, I may have to step back in to national politics." Aznar said that he could accept a Socialist government in Spain, but not this President and not this government. Aznar posited that the recently completed regional and local elections had been essentially a draw, and said that it was nearly impossible to predict what would happen in national elections that must be held by March 2008. Aznar said that the PP's biggest threat was voter apathy, as most Spanish citizens are complacently content with their personal economic situation, and that only a "major event" could shake the Spanish out of their lethargy. During the dinner, the Ambassador gave Aznar several opportunities to comment on the strengths of current PP leader Rajoy, but the President offered only lukewarm support for his successor.

//ADMONITION ON WESTERN SAHARA//

MADRID 00001287 002.2 OF 002

14. (C) Aznar told the Ambassador that the U.S. should cease its efforts to work with Algeria and Morocco to find a solution to the problems in Western Sahara. Aznar stated flatly that recent U.S. policy to move closer to Morocco on this issue was a "bad idea." The former President's opinion was that the U.S. would make concessions to Morocco and offer assistance, but then Morocco would "misuse these things."

//LEBANON AND AFGHANISTAN//

15. (C) The Ambassador expressed condolences for the six Spanish soldiers killed on June 24 in Lebanon and said he hoped the GOS would still fulfill its commitments both in that country and in Afghanistan. The Ambassador said it is vital for Spain to maintain a united front on key strategic issues such as these. Aznar replied that Zapatero was weak and would cave to political pressure to reduce Spain's presence in overseas deployments. The Ambassador replied that much of the political pressure on Zapatero in regards to Spanish deployments was in fact coming from the PP itself (REFTEL). Aznar denied that the PP had put political pressure on Zapatero to reduce Spain's commitment to its overseas deployments, the PP only wanted Zapatero to better explain the nature of the deployments to the Spanish people. He said the PP would not pressure the GOS on this in the future either.

//LATIN AMERICA//

16. (C) President Aznar briefly provided the Ambassador with his view on select Latin American countries. He said that Foreign Minister Moratinos' April visit to Havana was "predictable," as current Spanish leaders are "sympathetic to Castro, Communism, and this type of left-wing government." Aznar had just completed a trip to Mexico and believes that President Calderon is doing a "credible job." Aznar said Calderon admitted to having completely misjudged the depth and breadth of corruption in Mexico and that the pervasive

influence of narcotics in the country was beyond comprehension. Turning to Colombia, Aznar said that President Uribe needs U.S. assistance and that recent U.S. Congressional actions to alter assistance to that country would do long-term damage to both U.S. and Colombian interests.

¶7. (C) Comment. Aznar's lack of enthusiasm for his hand-picked successor, Rajoy, was noteworthy. Aznar never really left Spanish politics, but a public decision to resume a political career would likely reignite the pitched battle generated by the nature of the PP's loss following the March 11, 2004 terrorist attacks. Aznar clearly is troubled by what he believes is happening in Spain and may have doubts that Rajoy is the man to return the PP to power. Although Rajoy and the current PP leadership trumpeted the results of regional elections, Aznar believes that it was a draw. The PP is confident heading into national elections, but a positive outcome is far from assured. If Rajoy cannot return his party to national power, individuals such as Rodrigo Rato, Madrid Mayor Alberto Ruiz-Gallardon, and perhaps former President Aznar may be waiting in the wings.